



WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

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May 1, 2013

To: Supervisor Mark Ridley-Thomas, Chairman
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

A handwritten signature in black ink, appearing to be "WTF", is written over the printed name of William T. Fujioka.

TEMPORARY CURTAILMENT OF DEFERRED COMPENSATION AND THRIFT PLAN (HORIZONS) MATCHING CONTRIBUTIONS FOR REPRESENTED PLAN PARTICIPANTS

The County of Los Angeles Deferred Compensation and Thrift Plan (Horizons) and the Fringe Benefits Memoranda of Understanding with the Coalition of County Unions and SEIU Local 721 (unions) impose a fiscal year cap on the total matching contributions that the County can make to County employees who are represented by the unions (represented participants). The Horizons cap on County matching contributions for Fiscal Year 2012-13 is \$112 million. The Horizons Plan ordinance requires notification to affected participants should it be determined that funding will be insufficient to meet the matching contributions necessary to provide participants their full match during the fiscal year.

The Fiscal Year 2012-13 Horizons cap is expected to be met with contributions scheduled for the April 16-30, 2013 pay period. The remaining funds authorized for matching purposes will be approximately 81 percent of the projected matching contributions needed to meet the full 4 percent match. As a result, represented participants who participate in the Horizons Plan will have a corresponding pro rata reduction of the County's matching contribution for the pay period ending April 30, 2013, (the May 15, 2013, paycheck). There will be no County matching contributions for the pay periods ending May 15, May 30, June 15, and June 30, 2013 (the May 30, June 15,

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June 30, and July 15, 2013, paychecks). Employee take-home pay will not be affected and there will be no change in employee personal contributions to the Plan.

Full matching contributions of up to 4 percent will resume in the new fiscal year commencing with contributions for the July 1-15, 2013, pay period which will be reflected on the July 30, 2013, paycheck.

PARTICIPANT NOTIFICATION OF COUNTY MATCH CURTAILMENT

In past years, match curtailment notices were printed and mailed to affected participants to inform them of the impending curtailment. The print, production, and postage cost for this annual notification process was approximately \$25,000. Historically, this administrative expense was charged to the Horizons Plan.

As fiduciaries and good stewards of Horizons Plan assets, the Horizons Plan Administrative Committee (PAC) explored a more cost effective notification process. Starting this year, the Horizons Plan newsletter, a publication that all Horizons participants receive each quarter with their account statement, and the Plan website (www.countyla.com), which participants can access 24/7, will be leveraged to fulfill the match curtailment notification requirement, at no additional cost to the Horizons Plan or participants. The money saved will be used to pay for other Plan administrative expenses.

In early May, participants will receive their Horizons newsletter and account statement at their address of record. Also in early May, a match curtailment bulletin will be placed on the Plan website which will provide participants with easy access to match curtailment information. The PAC recognized that a segment of Horizons Plan participants (Superior Court, LACERA, and non-represented County employees) may read the Horizons newsletter and/or website bulletin and mistakenly assume they are affected by the match curtailment. To address this potential misunderstanding, both communication vehicles were carefully constructed to clearly indicate the audience affected by the match curtailment.

County staff discussed the new notification process with the unions and received full support to implement this change. Participant feedback will be monitored and suggestions or concerns will be reviewed and taken into consideration for any future curtailment notifications.

Each Supervisor
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Participants who have questions regarding the temporary Horizons match curtailment should be directed to Great-West Retirement Services®, the Horizons Plan record-keeper, at (800) 947-0845. Representatives are available Monday through Friday from 7:00 a.m. to 5:00 p.m. Pacific Time. Any questions regarding the content of this memorandum should be directed to Susan Moomjean at (213) 893-0040.

WTF:BC:JA
MTK:SM:mst

c: Department Heads
Administrative Deputies
Personnel Officers
Horizons Plan Administrative Committee
SEIU, Local 721
Coalition of County Unions
Guild for Professional Pharmacists
Los Angeles County Association of Environmental Health Specialist
Association of Public Defender Investigators
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